

**7-1-6.15. Adjustments of distributions or transfers to municipalities or counties.**

A. The provisions of this section apply to:

(1) any distribution to a municipality of gross receipts taxes pursuant to Section 7-1-6.4 NMSA 1978 or of interstate telecommunications gross receipts tax pursuant to Section 7-1-6.36 NMSA 1978;

(2) any transfer to a municipality with respect to any local option gross receipts tax imposed by that municipality;

(3) any transfer to a county with respect to any local option gross receipts tax imposed by that county;

(4) any distribution to a county pursuant to Section 7-1-6.16 NMSA 1978;

(5) any distribution to a municipality or a county of gasoline taxes pursuant to Section 7-1-6.9 NMSA 1978;

(6) any transfer to a county with respect to any tax imposed in accordance with the Local Liquor Excise Tax Act [7-24-8 through 7-24-16 NMSA 1978];

(7) any distribution to a municipality or a county of cigarette taxes pursuant to Sections 7-1-6.11, 7-12-15 and 7-12-16 NMSA 1978;

(8) any distribution to a county from the county government road fund pursuant to Section 7-1-6.26 NMSA 1978;

(9) any distribution to a municipality of gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and

(10) any distribution to a municipality of compensating taxes pursuant to Section 7-1-6.55 NMSA 1978.

B. If the secretary determines that any prior distribution or transfer to a political subdivision was erroneous, the secretary shall increase or decrease the next distribution or transfer amount for that political subdivision after the determination, except as provided in Subsection C, D or E of this section, by the amount necessary to correct the error. Subject to the provisions of Subsection E of this section, the secretary shall notify the political subdivision of the amount of each increase or decrease.

C. No decrease shall be made to current or future distributions or transfers to a political subdivision for any excess distribution or transfer made to that political subdivision more than one year prior to the calendar year in which the determination of the secretary was made.

D. The secretary, in lieu of recovery from the next distribution or transfer amount, may recover an excess distribution or transfer of one hundred dollars (\$100) or more to the political subdivision in installments from current and future distributions or transfers to that political subdivision pursuant to an agreement with the officials of the political subdivision whenever the

to order the secretary of taxation and revenue to temporarily withhold distributions to municipalities and counties that have failed to submit audit reports required by the Audit Act or financial reports required by Section 6-6-2 NMSA 1978.

**The 2007 amendment**, effective July 1, 2007, amended Paragraph 10 of Subsection A to replace distributions to counties, school districts or special districts and distributions of oil and gas ad valorem production taxes with a distribution to municipalities pursuant to 7-1-6.55 NMSA 1978.

**The 1999 amendment**, effective June 18, 1999, added Subsection A(10) and substituted "political subdivision" for "municipality or county" throughout Subsections B to D.

**The 1996 amendment**, effective March 4, 1996, inserted "or a resolution" in the first and second sentences of Subsection F.

**The 1994 amendment**, effective May 18, 1994, in Subsection A, deleted "and" at the end of Paragraph (6), and added Paragraphs (8) and (9); and, in Subsection F, added all of the language at the end of the first sentence beginning with "or to redirect", all of the language at the end of the second sentence beginning with "or by the amount" and all the language at the end of the last sentence beginning with "or meet other", and inserted "or notice to redirect a distribution" and "or redirect" in the second sentence, and "or to the New Mexico finance authority pursuant to written agreement" in the last sentence.

**The 1993 amendment**, effective June 18, 1993, in Subsection A, added the language beginning "or of interstate" at the end of Paragraph (1), rewrote Paragraphs (2) and (3), deleted former Paragraphs (6) and (7) relating to transfers to municipalities or counties with respect to a tax on gasoline, added Paragraph (6) and redesignated former Paragraph (8) as Paragraph (7).

**The 1992 amendment**, effective May 20, 1992, inserted "Municipal Infrastructure Gross Receipts Tax Act" in Subsection A(2); substituted "Subject to the provisions of" for "Unless provided by" in the second sentence of Subsection B; inserted "pursuant to Subsection B of this section" in Subsection E; and added Subsection F.

**The 1991 amendment**, effective April 4, 1991, in Paragraph (3) of Subsection A, added "or Local Hospital Gross Receipts Tax Act" and made a related stylistic change. The section was also amended by Laws 1991, ch. 9, § 13, effective July 1, 1991. The section was set out as amended by Laws 1991, ch. 176, § 17. See 12-1-8 NMSA 1978.

**The 1990 amendment**, effective March 5, 1990, in Subsection A, added "Municipal Environmental Services Gross Receipts Tax Act" at the end of Paragraph (2), deleted "County Sales Tax Act" following "in accordance with the" and added "County Environmental Services Gross Receipts Tax Act" at the end of Paragraph (3), and made minor stylistic changes.

**The 1989 amendment**, effective June 16, 1989, in Subsection A(3), inserted "Local Liquor Excise Tax Act".

to order the secretary of taxation and revenue to temporarily withhold distributions to municipalities and counties that have failed to submit audit reports required by the Audit Act or financial reports required by Section 6-6-2 NMSA 1978.

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**The 1989 amendment**, effective June 16, 1989, in Subsection A(3), inserted "Local Liquor Excise Tax Act".

#### **7-1-8.9. Information that may be revealed to local governments and their agencies.**

An employee of the department may reveal to:

A. the officials or employees of a municipality of this state authorized in a written request by the municipality for a period specified in the request within the twelve months preceding the request:

an appellate court or a federal court in a proceeding relating to a disputed distribution and in which both the state and the municipality or county are parties.

History: 1978 Comp., § 7-1-8.9, as enacted by Laws 2009, ch. 243, § 11.

**Effective dates.** — Laws 2009, ch. 243, § 14 made this section effective July 1, 2009.